

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

TO:	HOUSING, NEIGHBOURHOODS & LEISURE COMMITTEE		
DATE:	15 NOVEMBER 2017	AGENDA ITEM:	10
TITLE:	PRIVATE RENTED SECTOR CHARTER		
LEAD COUNCILLOR:	COUNCILLOR JOHN ENNIS	PORTFOLIO:	HOUSING
SERVICE:	REGULATORY SERVICES	WARDS:	BOROUGHWIDE
LEAD OFFICER:	YASMIN AHMAD	TEL:	0118 937 2466
JOB TITLE:	PRIVATE SECTOR HOUSING TEAM MANAGER	E-MAIL:	yasmin.ahmad@reading.gov.uk

1.0 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update Members on the progress made in delivering the Private Rented Sector (PRS) Charter action points and is an update report from the one submitted last year.
- 1.2 The PRS Charter aims to build a common understanding of values, standards and requirements for the private rented sector. It further demonstrates the Council's and partners' commitment to improving the sector.

Appendix 1: Private Rented Sector Charter

Appendix 2: Reading Rent with Confidence Scheme (criteria)

2. RECOMMENDED ACTION

- 2.1 That members note the progress made against the action of the Private Rented Sector Charter and the next steps outlined in the report.

3.0 POLICY CONTEXT

- 3.1 Following Consultation on the Charter between September and October 2015 the Housing, Neighbourhoods and Leisure Committee off 18th November 2015 approved the PRS Charter and this report provides an update on progress across services.
- 3.2 The Private Rented Sector Charter was developed around 'providing a home for those most in need' as outlined in the Corporate Plan 2015-18. A copy of the Charter is attached in appendix 1.

3.3 The Charter sets out the key actions that the Council will lead on to help support tenants, landlords, managing and letting agents to deliver a safe, healthy and thriving private rented sector. It promotes tenants choice and rights, landlords taking responsibility for their properties and delivering robust and effective action where they fail to do so.

4.0 PROGRESS

4.1 The table below shows the progress against the action points in the Charter.

ACTION	PROGRESS
<p>To bring to an end unfair practices which contribute to an negative image of the private rented sector</p>	<p>Over the past year revisits, in line with the Consumer Rights Act 2015, have and are being conducted to a total of 85+ Letting Agents within the borough to ensure they are compliant with the legislation.</p> <p>A monetary penalty of £5000 was served to an agent for non-compliance of these requirements.</p> <p>The secondment of the Trading Standards Officer into the Private Sector Housing Team has resulted in some effective working across the team and colleagues at Reading University and other enforcement agencies such as the Illegal Money Lending Team and the National Estate Agent Team.</p> <p>Over the past 12 months the Trading Standards Officer has received 68 service requests from either tenants making complaints or business seeking advice. These have culminated in Warnings being given out, business advice and ongoing prosecution cases.</p> <p>Working in partnership with the 3 Government Approved Redress schemes and Right Move to help with process of Letting Agents compliance with ‘The Redress Schemes for Lettings Agency and Property Management Work (Requirement to Belong to a Scheme etc.) (England) Order 2014’</p> <p>100% compliance with membership of the Redress scheme has been achieved.</p>
<p>To tackle fuel poverty and improve energy efficiency in the private rented housing sector</p>	<p>The Winter Watch Scheme has been actively involved in supporting tenants in the Private Rented Sector. Over the last year 80 tenants in the private rented sector have been visited and offered money saving advice and practical guidance about staying warm and preparing for the winter. Tenants are shown how to operate heating equipment such as gas</p>

<p>To increase the number of landlords supplying good quality private rented homes</p>	<p>boilers and night storage heaters. The scheme is also on hand during the winter to provide emergency heating and blankets. For private rented tenants in receipt of means tested benefits, advice is provided on warm home improvements such as loft insulation and upgraded boilers through ECO funding. The Scheme will advise both landlords and tenants on what is available.</p> <p>The Private Sector Housing Action Week took place during the week of 2nd October where 5 different locations across the Borough were visited and Officers were available to offer advice and support to Reading residents and visitors on the services that the Council offer in particular in relation to renting in the Private Sector. In addition to raising awareness about illegal money lending and other services such as the Berkshire Credit Union that may be of benefit to people in Reading. Officers spoke with approximately 300 people over the course of the week and off these we received 10 requests for follow up action by the Council.</p> <p>External street surveys were carried out of a total of 607 properties over 9 different streets. The location of the street surveys were based on areas where there are known private rented sector properties and where we have received complaints. The street survey's found that 406 properties were in good order.</p> <p>We spoke with 93 people who are private renting and who require no follow-up action by the Council. 76 owner/occupiers who also require no follow up action by the Council 10 Council tenants who require no follow up action. We had a total of 22 properties that require follow up action from the street surveys.</p>
<p>To act against criminal landlords to protect tenants</p>	<p>The Private Sector Housing Team runs the mandatory Houses in Multiple Occupation (HMO) Licensing Scheme which deals with 1,000 properties a year. In addition the team deals with in excess of 1,500 service requests per year relating to enforcement matters. Over the last year 9 prosecutions have been taken against criminal landlords with fines and costs totalling £53,000</p>

<p>Tenants and Landlords both take responsibility for the homes they let and live in</p>	<p>The Housing Rent Guarantee Scheme (RGS) launched in September 2016 and now facilitates 269 tenancies within the Borough. The Deposit Guarantee Scheme continues to operate and across the two schemes 334 households are currently accommodated.</p> <p>The Home for Reading Ltd, a company wholly owned by the Council, was established in 2016 and commercial acquisitions and lettings in Summer 2017. The company offers responsibly managed private rented sector accommodation at market and sub-market rents. 'Homes for Reading' will increase access to safe and suitable housing including for those in acute housing need...</p> <p>On-going partnership work with voluntary and community organisations to increase identification of vulnerable groups at risk from rogue landlords.</p> <p>The Housing Advice Service will work with landlords to prevent homelessness where ever possible. The team will refer households to the floating support service commissioned by the Council in situations where they would benefit from support to pay rent and manage a tenancy. Officers will make referrals to money advice services to maximise tenant's incomes and prevent rent arrears as well as applications for Discretionary Housing Benefit to ensure that future rental payments are made in full.</p>
<p>To work with tenants, landlords and agents to avoid creating a crisis in tenants' lives</p>	<p>A training programme is being delivered for tenants and community groups to raise awareness of their legal rights and obligations when renting a property. 5 training sessions have been delivered of these 2 were to voluntary sector organisations and 3 were to tenant groups. A rolling programme of tenant training of one a month has been set up in partnership with colleagues in Housing Advice</p> <p>Landlords are encouraged to attend accredited courses run by the National Landlord Association (NLA)</p> <p>Officers from the Private Sector Housing Team were invited to speak at a recent conference in London as an example of good practice in identifying and tackling rogue landlords.</p>

- 4.2 The key piece of work highlighted for this year's work programme was the Reading Rent with Confidence Scheme. The purpose of the scheme is to differentiate landlord/letting sub sectors. The scheme was designed in consultation with the Council's Housing Advice Team, Citizens Advice, Reading

Welfare Rights, Reading University and students union and Reading College, Landlords Associations & Letting Agents within Reading and other key stakeholders. Input has also been provided by the Council legal services, finance and insurance teams

4.3 The Scheme has been designed to rate Landlords, Letting and Managing Agents based on the criteria they achieve. The criteria are divided into 3 tiers of (1) bronze, (2) silver and (3) gold each reflecting the different levels of private rented sector standards required with bronze being the basic standard required of all private rented properties and the other 2 standards build in this. (The detailed criteria is attached in appendix 2)

4.4 There is a charge associated with the scheme as follows which is paid by applicants when they submit their applications on line. The fees are as follows:

Up to 10 properties in the portfolio = £180
11-50 properties in the portfolio = £260
51-100 properties in the portfolio = 360
Over 100 = £500

As an incentive the first 10 applications will be free of charge

4.5 On receipt of application a percentage of properties of the applicant will be inspected and if it is a letting or managing agent this will include a visit to their offices and check of their websites

4.6 Membership of the scheme is purely voluntary but early indications show interest from across the sector to be part of the scheme.

5.0 NEXT STEPS

5.1 Over the next twelve months it is proposed to;

- Implement and promote a 'Reading Rent with Confidence Scheme'.
- Continue to deliver training to tenants in Reading on their rights and obligations in relation to renting a property including promoting best practice through the promotion of the Private Rented Sector code of practice (RICS) and the Tenants Code of Practice (DCLG).
- Develop and deliver training to Landlords on their obligations.
- Work with enforcement officers and other agencies to increase knowledge in the sector and advise on fraudulent activity such as fake gas and electricity certificates.
- Continue to increase the identification of sub-standard properties. Carry out further street surveys to proactively identify substandard properties.
- Continue with the zero tolerance approach and take prosecutions against landlords who fail to comply with Housing Legislation.
- Rolling programme of annual inspection of Letting Agents to ensure on going membership of Redress scheme, publishing fees and compliance with EPC certificates.

5.2 In addition to the above actions Officers will look again at the benefits of a discretionary HMO Licensing scheme for the Borough. The Government has proposed an extension of the Mandatory HMO Licensing scheme to be implemented in Autumn 2018. The Governments proposed scheme affects any property no matter how many storey's in which there are 5 or more people resident who comprise 2 or more households. If this proceeds it would impact approximately 5,000 HMO's. If this does not proceed it is proposed to explore a discretionary licensing Scheme in Reading in line with the mandatory one proposed by the Government

6.0 CONTRIBUTION TO STRATEGIC AIMS

6.1 In relation to the Council's Corporate Plan the following themes are appropriate:

Providing homes for those most in need - the PRS Charter points will result in improved housing conditions and contribute to the health, safety and welfare of residents by driving up physical and management standards in the Private Rented Sector.

Keeping the town clean, safe, green and active - the outcome of this project will reduce the impacts of enviro-crime, reported anti-social behaviour, and build community resilience.

7.0 COMMUNITY ENGAGEMENT AND INFORMATION

7.1 On-going community engagement to encourage support and further partnership working and to develop and advance actions to improve the PRS.

8.0 EQUALITY IMPACT ASSESSMENT

8.1 Not required at this time.

9.0 LEGAL IMPLICATIONS

9.1 Regulatory Compliance through The Housing Act 2004 along with other pieces of legislation allows for enforcement action to be taken against Landlords failing to provide properties to the required standards.

9.2 The Redress Schemes for Lettings Agency and Property Management Work (Requirement to Belong to a Scheme etc.) (England) Order 2014 allows for enforcement against letting agents and property management companies who do not belong to one of the approved schemes.

9.3 The Consumer Rights Act 2015, Chapter 3, Part 3, It is a legal requirement for all letting agents in England and Wales to publicise details of their relevant fees; state whether or not they are a member of a client money protection scheme; and give details of which redress scheme they have joined.

10.0 FINANCIAL IMPLICATIONS

10.1 The delivery of the action plan is funded through existing resources in the team.

Private Rented Sector Housing Charter

Narrowing the Gap Providing homes for those most in need



www.reading.gov.uk

<p>Everyone is entitled to a good quality home</p> <p>To increase the number of landlords supplying good quality private rented homes</p> <p>To raise awareness of what a good quality home is and encourage landlords and agents to provide this</p> <p>To act against criminal landlords to protect tenants.</p> <p>That the private rented sector helps to meet the housing needs of Reading's residents.</p> <p>That tenants and landlords both take responsibility for the homes that they let and live in.</p>	
6	<p>Increasing the identification and referral of sub-standard properties by working with partners and stakeholders to further develop our intelligence led approach.</p> <p>RBC, Citizens advice, Reading Welfare Rights, tenants, landlords associations, lettings and managing agents, University of Reading, Reading College, RUSU</p>
7	<p>Establishing mechanisms to identify and target vulnerable groups most at risk from rogue landlord activity, to ensure support is focused on those in most need.</p> <p>RBC, health partners, Community Care - Adults and Children's Teams, Citizens Advice, Reading Welfare Rights, tenants, landlords associations, lettings and managing agents, University of Reading, Reading College, RUSU, RNIN</p>
8	<p>Launching a new campaign and materials to raise awareness about the advice available to landlords and tenants.</p> <p>RBC, Citizens Advice, Reading Welfare Rights, tenants, landlords associations, lettings and managing agents, University of Reading, Reading College, RUSU</p>
9	<p>Promote best practice through the promotion of the PRS code of practice (RICS) and the Tenants Code of Practice (DCLG).</p> <p>RBC, Landlords Associations, RUSU</p>
10	<p>Develop and promote a 'rent with confidence' scheme which will be used to differentiate landlord sub sectors.</p> <p>RBC, Citizens advice, Reading Welfare Rights, tenants, landlords associations, lettings and managing agents, University of Reading, Reading College, RUSU</p>
11	<p>Collaborate in the delivery of further training, seeking to improve the skills and knowledge of all landlords, lettings and managing agents in Reading.</p> <p>RBC, Citizens advice, Reading Welfare Rights, tenants, landlords associations, lettings and managing agents, University of Reading, Reading College, RUSU</p>

This Charter sets out the Councils ambition to work in partnership to bring about effective changes in Reading's private rented housing.

The Charter is about setting out key actions that the Council will lead on to help support tenants, landlords, letting and managing agents to deliver a safe, healthy and thriving private rented sector. It promotes tenants choice and rights, landlords taking responsibility for their properties standards and delivering effective and robust action where they fail to do so.

The private rented sector is a growing sector, both locally and nationally and is the tenure of choice for some, but of last resort of others. The sector has some of the poorest standards which can impact adversely on health and the quality of life for Reading's residents.

The Charter is in response to an extensive study of the private rented sector market which has resulted in the development of an action plan. It is clear that the Council cannot act alone in improving the private rented sector and although the action plan is matched with resource, it requires everyone involved in the sector to make a contribution to ensure its success.

Shared ambitions

- Everyone is entitled to a good quality home.
- That the private rented sector helps to meet the housing needs of Reading's residents.
- That tenants and landlords both take responsibility for the homes that they let out and live in.
- To increase the number of landlords supplying good quality private rented homes.
- To raise awareness of what a good quality home is and encourage landlords and agents to provide this.
- To tackle fuel poverty and improve energy efficiency in private rented housing.
- To work with tenants, landlords and agents to increase understanding of what is a reasonable and proportionate response to a dispute.
- To act against criminal landlords to protect tenants.
- To work with tenants, landlords and agents to avoid creating a crisis in tenants' lives.
- To bring to an end unfair practices which contribute to a negative image of the private rented sector.

Shared actions

To bring to an end unfair practices which contribute to a negative image of the private rented sector.

To work with tenants, landlords and agents to increase understanding of what is a reasonable and proportionate response to a dispute.

To work with tenants, landlords and agents to avoid creating a crisis in tenants' lives.

1	To review and provide support to Landlords, Lettings and Managing agents to ensure that tenants are protected from unfair practices.	RBC, Landlords associations, lettings and managing agents, University of Reading, Reading College, RUSU, RWR, CAB
2	To work with enforcement staff to increase knowledge in the sector and advise on fraudulent activity such as the issuing of 'fake certificates'.	RBC, Gas Safe, approved electrical contractors, landlords, letting agents
3	To ensure that all Lettings and Managing Agents operating within the Borough are members of a redress scheme.	RBC, approved redress schemes
4	Reviewing and developing internal systems to deal with allegations of harassment and illegal eviction, including as necessary, prosecution of landlords or their agents.	RBC
To tackle fuel poverty and improve energy efficiency in private rented housing		
5	To review the private rented sectors current position with Energy Performance Certificate compliance. The sector needs to move to a position where they meet minimum energy efficiency standards and this will impact on tenants health and work towards reducing the impacts of fuel poverty.	RBC, Landlords, lettings and managing agents.

Scheme Criteria Overview

KEY:

Letting Agent/Management Agent
Specific



- Long-term tenancies (e.g 2 years)
- No successful legal action by any enforcement authority (in last 5 years)
- Attend training sessions and update meetings
- **Disclose any personal interest in properties**

- Charge maximum deposit equal to 6 weeks or 1 and a half month's rent
- Regular recorded property condition inspections
- Target response times for emergencies and other requests
- Inventory check-list for check-in and check-out
- If using Letting/Management Agent then use one registered on RRWC scheme
- **Member of a Client Money Protection Scheme**
- **Remove 'to-let' boards outside of properties within 14 day time-frame**



- Gas/electrical certificates provided to tenants and the Local Authority (on request)
- EPC minimum standard of 'E' in all properties
- Any HMO licensable properties need to be licensed
- All properties free of Category 1 hazards (HHSRS)
- Written tenancy agreements for all tenants
- All deposits must be protected
- Must carry out Right to Rent checks
- Provide How to Rent guide
- No rental increases within fixed term tenancies (12 months or less)
- Fire/Heat/Carbon Monoxide alarms to be fitted and checked annually
- Meet a fit and proper person test
- **Member of a Redress Scheme**
- **Detailed fees presented on website and in office**
- **Clear statement regarding membership of a Client Money Protection Scheme**

